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THE NEW SOVIET PARTY PROGRAM

1. The Soviet Union's new party program, announced on 30 July, is a mixture of fact and fancy which conveys promises of a grandiose welfare state based on intentions for a high rate of industrial and agricultural development. The program, stripped of its propaganda continues to give primacy to the growth-producing elements of the economy at the expense of the Soviet consumer and adds little that is new to the ideological premises under which the Soviet state now operates. Contradictory in some parts, vague in others, the program will accommodate a wide range of interpretations.

2. The relative priorities to be given heavy and light industries, a question prompted by Khrushchev's recent implication that the two would grow at an equal rate in the future, appear to have been decided strongly in favor of the established precedent. The party, according to the program, continues to be "ceaselessly solicitious" of the growth of heavy industry which continues to be identified as the foundation for an adequate defense and the satisfaction of the "vital demands...of the Soviet society."

3. Industrial production is to increase six-fold by 1980--implying a 9-10 percent annual rate of growth. This rate is on a par with actual achievement in recent years but is slightly above that called for in the Seven-Year Plan (1959-65) suggesting that a somewhat higher rate of growth is planned after 1965 or that

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certain Seven-Year Plan industry goals will be revised. Industrial labor productivity is to increase at a rate about equal to the roughly seven percent achieved in the last ten years with a speed-up to nearly eight percent annually during 1971-80.

The program claims that these rates will permit Soviet industry to surpass the present level of US industrial output during the next ten years and "leave it far behind" in twenty. Should the Soviet Union succeed in increasing industrial output as planned and assuming that Soviet industrial production at the end of 1960 was about 42 percent of US it would by 1970 just about reach the 1960 US level. However, applying to the 1960 ratio of Soviet to US industrial output of 42 percent an annual US industrial growth rate of 4.5 percent, Soviet industrial output would then be about two-thirds of US by 1970 and about equal to the US in 1980.

The program recognizes that such rates will require "enormous investment" and will depend upon the improvement of technology, particularly through greater mechanization and automation, and upon new production arrangements for more effective use of capital. In the past these activities have contributed to productivity increases but usually in the face of stiff resistance from managers and planners who resent any disruptions, however short term, in their efforts to "meet the plan."

4. The continued high priority of heavy industry is implied by the only specific commodity goals which were announced--

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electric power and steel. With the dictum that "electrification plays the leading role in the development of the national economy in ensuring technological progress," the program proposed a tripling of electric power by 1970 and a production of 2700-3000 billion kilowatt hours by 1980. These magnitudes imply an annual growth rate roughly equal to that achieved during the last decade. Production in the US last year was 884 billion kilowatt hours. The USSR in 1960 produced 293 billion kilowatt hours or roughly 33 percent of US. Production of crude steel is planned at approximately 250 million tons by 1980, about 2.4 times the US peak production reached in 1955 and about nine percent larger than Free World production in 1960. The annual rate of increase is no larger than the 6.6 to 7.5 percent rate required to meet the Seven-Year Plan target and is well below the average nine percent increase achieved in 1959-60.

5. A large part of the economic portion of the program is devoted to plans for agriculture. Agricultural production is planned to increase 6-7 percent annually during the next 20 years while grain production is to be doubled to support a 200 percent increase in the output of meat in the first ten years and a 300 percent increase by 1980. Milk production is scheduled to increase by 100 percent by 1970 and 200 percent by 1980.

6. How serious are these goals and what are the possibilities of their being achieved? Answers to these questions depend

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upon a number of variables--new products and technologies are only two--which in view of the extended period of time involved make attempts at forecasting with any precision an impossible task. Judging from past performance and the resource base available in the USSR one could speculate that Soviet industry might well fulfill the ambitions of its leaders. Performance of the two commodities specified will depend heavily upon their relative priorities. In any case, the tasks will be very large. For electric power, for example, to be generated at the level planned for 1980 will require the addition of 60 million kilowatts of new capacity in that year alone, as much as called for during the entire period of the Seven-Year Plan. The minimum total investment required to meet the steel goal would be in excess of 50 billion (new) rubles as contrasted to an investment planned for the seven years of the present planning period of 10 billion (new) rubles. Annual increases in production in the final years of the twenty year period would be more than three times larger than the increases achieved in recent years.

For the agricultural goals, in the light of past experience and barring massive new investments, failure seems a certainty. Increases as planned are unprecedented for any major agricultural area anywhere in the world and, as with past agricultural goals, are completely unrealistic. There is strong suspicion that these goals, as with those in the past, have been set with an eye to

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exhortation of greater effort from the peasant rather than to reality. This possibility is at least suggested by the fact that a realization of the production goals would imply a problem of surplus for the USSR as early as 1970.

7. Probably the programs most unusual feature was the elaborate "pie in the sky" offered the consumer. Most of the promised benefits were not new to Soviet propaganda and most in one form or another are already a part of every day life in the West. Consumer demands are to be "satisfied," the housing program "solved"--at a low level--and a wide array of "free" services offered to the consumer including medical care, housing utilities and public transport.

Even should the entire welfare program eventually be implemented, its net effect will be slight. The prospective "free" items now cost the consumer relatively little in direct outlays--about 15 to 20 percent of total consumer expenditures in 1960--the balance of the cost of the goods and services being paid primarily through indirect taxes. Whether the consumer pays directly or indirectly for such services would be mainly a bookkeeping problem and would have no effect, as such, on his standard of living.

The promise to provide each family--presumably both urban and rural--with a suitable and "hygenic" apartment during the 1970's is apparently a continuation of the program started in 1957 to eliminate the housing shortage by 1970 by providing 100 square

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feet per capita of housing (present US - 300 square feet). Such a program is feasible but will require the Soviet government to continue to devote a heavy share of construction outlays to housing during the entire period and possibly adopt a more tolerant attitude toward private housing. It should be noted that the plans for housing for over a year now have been substantially underfulfilled.

The promise of a shortened (35-36 hours) work week for most workers during the 1960's and further reductions during the 1970's is not new. The promise that modern safety measures will be introduced to eliminate accidents and occupational disease is belated recognition by the Soviet Union, the so-called "workers' paradise," of an area where it has been extremely backward. Western observers are often appalled at the absence of even the simplest safety devices. No timetable, hence no discernible commitment, was attached to such "benefits" as free meals on the job, free nurseries, old age and disability pensions, an extensive (up to a month) paid annual leave.

At best the Soviet citizen can look forward to a Spartan existence. Agriculture's failure to meet its commitments will mean a continuation of his traditional diet, long on potatoes and short on meat. Light industry, hampered by shortages of agricultural materials, will provide adequate clothing but of poor quality and style. Small apartments will be sparsely furnished and despite

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promises of the wide introduction of "cheap household machines" it seems likely that the Soviet citizen will be expected to share these with other occupants of his apartment building--most new apartments are equipped with electrical circuits only large enough for lighting. He will work shorter hours but the demands on his leisure time will be increased and more and more will he find himself doing "voluntary" work for the common good without compensation. Everyone, including women, will be expected to work, and the availability of "free" nurseries and communal dining will make it difficult to avoid this obligation.

8. In many parts of the world the claims for the future embodied in the party program will be accepted in the light of the rapid industrial advances made by the USSR. Likewise, the welfare program will have its appeal. Within the USSR some will view the program's objectives as postponements of benefits expected at earlier dates (the meat production goal, for example, in the remote possibility that it should be met, would be a full ten years late on an earlier Khrushchev promise). Other Soviet citizens with a taste for privacy and a desire to make their own consumer selections will think the time period for implementing the "benefits" far too short. Failure of the program to be more specific on consumer goods production as well as the warning that it may be necessary to increase defense spending will dampen public expectations of a sharp living standard improvement, a

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disappointment compounded by the meager two percent increase in light industry during the first six months of 1961.

9. The many contradictions which appear in the program suggest a background of conflicting opinions among the leaders and a regime at once hopeful and fearful about the future. Repeated recognition of the need for incentives, opposition to wage leveling, and continued acceptance of self-interest as a valid principle for building communism contrasts sharply with the promises for "free" goods and services and the stated intention to narrow the gap between the highest and lowest wages. The desire to take advantage of the flexibility inherent in decentralized management by increasing the management and planning roles of local organs is undercut by the assertion of the need for increased control and central leadership. To the degree that these and other contradictions represent temporizing rather than dialectical double talk they may still give rise to considerable intra-party debate in the years ahead.

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